



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

P.O. Box 40918 • Olympia, Washington 98504-0918 • (360) 586-2320 • FAX (360) 586-2329

REGULAR BOARD MEETING

**May 26, 2004
Meeting Minutes**

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met in the Boardroom of the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington on May 26, 2004.

Board Members Present:

Kelly Fox, Chair
Jack Simington, Vice Chair
Mark Johnston
David Moseley
Senator Linda Evans Parlette
Representative Geoff Simpson
Doug Cochran
Michael Edwards
Maureen Morris

Board Members Not Present:

Pat Hepler

Staff Present:

Steve Nelsen, Executive Director
Jessica Burkhart, Executive Assistant
Jeralyn Faulhaber, Administrative Services Manager
Suzanne Shaw, AAG
Tim Valencia, Senior Research Policy Manager

Guests:

Matt Smith, Washington State Actuary

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:35 a.m.

1) April 28, 2004 Board Meeting Minutes

It was moved that the April 28, 2004 Board meeting minutes be adopted as presented. Seconded.

MOTION CARRIED UNANIMOUSLY

2) Agency Update

Steve Nelsen, Executive Director introduced Jessica Burkhart as the new Executive Assistant and Tim Valencia as the new Senior Research and Policy Manager, and welcomed them both to the agency.

Doug Pendagrass was introduced as the new nominee for the vacant Board position of Active Law Enforcement Representative. Mr. Pendagrass has worked for the Snohomish County Sheriff's Office since 1978.

3) Supplemental Contribution Rates

State Actuary Matt Smith, discussed the "*HB 2418 and HB 2419 Fiscal Note*" handouts and distributed a "Supplemental Rates Timeline" which showed when possible increase in rates would go into effect in the form of a supplemental contribution rate, due to the passage of HB 2418 and HB 2419 during the 2003 Legislative Session.

Mr. Smith explained that the supplemental rate is a "temporary funding mechanism" which would go into effect in September 2004, until the biennial Actuarial Valuation is performed. Adoption of Supplemental Contribution Rates will be placed on the July Board Meeting Agenda for action. This will allow time for the 30-day statutorily required notice to employers for a September 1, 2004 effective date.

Agenda Item #4 was postponed until the afternoon.

5) Potential 2005 Legislation – Duty Disability Actuarial Reductions

Mr. Nelsen presented the "*Duty Disability Actuarial Reductions*" initial proposal. The Board asked that an actuarial cost analysis be done on each of the Policy Options and be brought back to the Board for discussion.

It was moved that the "Duty Disability Actuarial Reductions" be moved forward to the preliminary stage and be presented at the June Board meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

6) 2005 – 07 Budget Planning – Strategic Planning Session

Mr. Nelsen has hired Jim This to facilitate the Board's Strategic Planning Session on June 22, 2004 beginning at 5:00 p.m. His strategic planning process presentation and discussion will take approximately four hours.

Select Committee on Pension Policy Coordination (SCPP)

Mr. Nelsen updated the Board on issues discussed at the latest SCPP meeting and will keep the Board updated on their activities. Matt Smith in turn will keep the SCPP apprised of LEOFF Plan 2 Retirement Board activities.

Pension Funding Council (PFC) Update

The PFC adopts contribution rates for all other state retirement plans except for LEOFF Plan 2. An independent actuarial audit, which will be coordinated with the Pension Funding Council, will be performed in August and September. The PFC Workgroup will be meeting to develop an RFP to select an independent actuarial audit firm to audit the

Actuary's 2005–07 valuation. The Board can expect a presentation by this firm in August, with discussion and adoption of contribution rates at the September Board meeting.

4) Options for Member Outreach

Brochure/Newsletter – Mr. Nelsen discussed the approximate costs of creating and distributing a member newsletter or brochure to LEOFF Plan 2 members and associated timelines. A graphic design company will be used to develop the newsletter. Staff will provide the content and oversee the look and layout of the publication.

LEOFF Plan 2 Retirement Board Web Site – Tim Valencia presented the new LEOFF Plan 2 Retirement Board Web site for review and comment. The goal is to have the Web site launched in June 2004.

Upcoming Meetings

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for June 22, 2004 beginning at 5:00 p.m. at 1069 Adams Street Southeast in Olympia.

The next regularly scheduled Board meeting is June 23, 2004 from 9:30 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive Southwest in Olympia.

There being no further business, the meeting adjourned at 1:45 p.m.